

STATE OF VERMONT  
PUBLIC SERVICE BOARD

Docket No. 6290

Investigation into the establishment of )  
guidelines for distributed utility planning by )  
Vermont electric distribution utilities )

BILATERAL AGREEMENT BETWEEN THE DEPARTMENT OF PUBLIC SERVICE AND  
THE VERMONT ELECTRIC COOPERATIVE, INC.

This bilateral agreement entered into by and between the Vermont Electric Cooperative, Inc. ("VEC" or the "Cooperative") and the Vermont Department of Public Service (the "Department" or "DPS" ) supplements the Distributed Utility Planning ("DUP") Collaborative Phase I Stipulation ("Stipulation") in this docket. Said Stipulation sets forth the agreement of the Department and VEC, as well as other parties to the captioned proceedings, with regard to the adoption of Initial Guidelines and the establishment of a Phase II Collaborative. This bilateral agreement incorporates the Stipulation. Terms defined in the Stipulation shall have the same meaning when used herein, except that in this bilateral agreement the term "Parties" shall mean VEC and the Department.

VEC and the Department supplement the Stipulation with the following agreements:

1. During the term of this Bilateral Agreement, VEC shall perform routine repair, maintenance, and replacement projects in the ordinary course of business as necessary for its electric system. When engineering these projects, VEC shall identify and implement the least-cost T&D alternative that is expected to meet customer needs and to assure electric system safety, stability and reliability. When performing said engineering, VEC will utilize such tools as are necessary to identify the least cost T&D alternatives.
2. During the term of this Bilateral Agreement, VEC shall engage in and undertake appropriate steps to implement detailed DUP for its potential large T&D supply problems utilizing the Initial Guidelines. A list of known study areas where DUP may make a difference in the selected strategy to remedy a large T&D supply problem is included as Attachment A. VEC is responsible for monitoring growth, proposing adjustments to the list, and applying the Guidelines to any service areas in which developments relating to T&D supply problems warrant applying the Guidelines. The Parties recognize and understand that each of the known study areas is impacted by customer driven projects and requests for service that must be responded to in a timely manner. The specific areas to be studied utilizing the Guidelines during the term of this Bilateral, and the pace of the performance of VEC's DUP studies, will be coordinated by the Parties, with reasonable

recognition given to meeting both VEC and specific customer planning requirements and providing least-cost service in accordance with the Guidelines.

3. This Bilateral Agreement shall remain in full force and effect until May 1, 2001, unless otherwise extended by the Parties.
4. The Parties have made specific compromises to reach the Stipulation and this bilateral agreement. The Parties agree that should the Board fail to approve the Stipulation and this bilateral agreement in their entirety, the Parties' agreements set forth herein shall terminate, and the Parties shall have the right to file prefiled testimony on all issues to be considered in this docket and the Parties' agreements in the Stipulation and this bilateral agreement shall not be construed by any party or tribunal as having precedential impact on any testimony or positions which may be advanced in these proceedings.

Dated at Montpelier, Vermont this \_\_\_\_ day of December, 2000.

VERMONT DEPARTMENT OF PUBLIC SERVICE

By \_\_\_\_\_  
Aaron Adler, Special Counsel

Dated at Burlington, Vermont this \_\_\_\_ day of December, 2000.

VERMONT ELECTRIC COOPERATIVE, INC.

By \_\_\_\_\_  
Kelly McKenna, Executive Vice President

Attachment

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## ATTACHMENT A

This document constitutes the list described in paragraph two of the bilateral agreement dated December \_\_\_, 2000 between the Vermont Electric Cooperative, Inc. and the Department of Public Service in Docket No. 6290.

Vernon Substation

Hinesburg Substation